

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB3083

By: Hilbert of the House and Montgomery of the Senate

Title: Revenue and taxation; taxes on medical marijuana retail sales; modifying apportionment of tax proceeds; effective date; emergency.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the following Conference Committee Substitute be adopted.

Respectfully submitted,

SENATE CONFEREES: GCCA (must be signed out at a Senate GCCA meeting)

Brooks _____

Dossett _____

Dugger _____

Floyd _____

Hall _____

Haste _____

Howard _____

Jech _____

Kidd _____

Kirt _____

Matthews _____

Montgomery _____

Newhouse _____

Pederson _____

Pemberton _____

Rader _____

Rosino _____

Simpson _____

Weaver _____

Thompson _____

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 3083

By: Hilbert of the House

and

Montgomery of the Senate

7
8
9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to revenue and taxation; amending 63
11 O.S. 2021, Sections 426, as amended by Section 27 of
12 Enrolled Senate Bill No. 1802 of the 2nd Session of
13 the 58th Oklahoma Legislature and 427.3, as amended
14 by Section 30 of Enrolled Senate Bill No. 1802 of the
15 2nd Session of the 58th Oklahoma Legislature, which
16 relate to the Oklahoma Medical Marijuana Authority;
17 modifying apportionment of excise tax proceeds;
18 establishing maximum limits for apportionments;
19 updating statutory citation; directing Authority to
20 establish certain programs and providing funding;
21 creating County Sheriff Public Safety Grant Revolving
22 Fund; establishing expiration date for fund;
23 providing for use of apportioned funds by Authority;
24 prescribing procedures for expenditures; directing
transfer of funds upon fund expiration; amending 70
O.S. 2021, Section 3-104, which relates to the State
Board of Education; updating statutory citations;
repealing Section 1 of Enrolled House Bill No. 3530
of the 2nd Session of the 58th Oklahoma Legislature,
which relates to the County Sheriff Public Safety
Grant Revolving Fund; providing for codification;
providing an effective date; and declaring an
emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as
2 amended by Section 27 of Enrolled Senate Bill No. 1802 of the 2nd
3 Session of the 58th Oklahoma Legislature, is amended to read as
4 follows:

5 Section 426. A. The tax on retail medical marijuana sales
6 shall be established at seven percent (7%) of the gross amount
7 received by the seller.

8 B. This tax shall be collected at the point of sale. Except as
9 provided for in subsection ~~D~~ C of this section, tax proceeds ~~will be~~
10 ~~applied primarily to finance the regulatory office~~ shall be
11 appropriated in amounts as authorized by the Oklahoma Legislature.

12 C. ~~Except as provided for in subsection D, if~~ For the fiscal
13 year beginning July 1, 2022, and each subsequent fiscal year,
14 proceeds from the levy authorized by subsection A of this section
15 ~~exceed the budgeted amount for running the regulatory office, any~~
16 ~~surplus~~ shall be apportioned ~~with seventy-five percent (75%) going~~
17 ~~to the General Revenue Fund and may only be expended for common~~
18 ~~education including~~ as follows:

19 1. Seventy-seven and ninety-seven hundredths percent (77.97%)
20 of the total proceeds of the levy to the State Public Common School
21 Building Equalization Fund for the purpose of funding redbud school
22 grants pursuant to Section 3-104 of Title 70 of the Oklahoma
23 Statutes. ~~Twenty-five percent (25%) shall be apportioned, but in no~~
24 event shall the total amount apportioned in any fiscal year pursuant

1 to this paragraph exceed the amount of redbud school grant funds
2 awarded pursuant to subsection B of Section 3-104 of Title 70 of the
3 Oklahoma Statutes;

4 2. Thirteen and fifty-six hundredths percent (13.56%) of the
5 total proceeds of the levy to the ~~State~~ Department of Mental Health
6 and Substance Abuse Services and earmarked for drug and alcohol
7 rehabilitation and prevention-, but in no event shall the total
8 amount apportioned in any fiscal year pursuant to this paragraph
9 exceed Eight Million Dollars (\$8,000,000.00);

10 3. Eight and forty-seven hundredths percent (8.47%) of the
11 total proceeds of the levy to the County Sheriff Public Safety Grant
12 Revolving Fund created pursuant to Section 3 of this act until June
13 30, 2025, and beginning July 1, 2025 and each fiscal thereafter to
14 the Oklahoma Medical Marijuana Authority Revolving Fund created
15 pursuant to Section 427.5 of this title, but in no event shall the
16 total amount apportioned in any fiscal year pursuant to this
17 paragraph exceed Five Million Dollars (\$5,000,000.00); and

18 4. Any surplus collections available pursuant to the provisions
19 of this subsection shall be apportioned to the General Revenue Fund
20 of the State Treasury.

21 D. Pursuant to Section 14 255.2 of ~~this act~~ Title 68 of the
22 Oklahoma Statutes, the Oklahoma Tax Commission shall have authority
23 to assess, collect and enforce the tax specified in subsection A of
24 this section including any interest and penalty thereon.

1 ~~E. For fiscal year 2022, proceeds from the levy authorized by~~
2 ~~subsection A of this section shall be apportioned as follows:~~

3 ~~1. The first Sixty-five Million Dollars (\$65,000,000.00) shall~~
4 ~~be apportioned as follows:~~

5 ~~a. fifty-nine and twenty-three hundredths percent~~
6 ~~(59.23%) to the State Public Common School Building~~
7 ~~Equalization Fund,~~

8 ~~b. thirty-four and sixty-two hundredths percent (34.62%)~~
9 ~~to the Oklahoma Medical Marijuana Authority, a~~
10 ~~division within the Oklahoma State Department of~~
11 ~~Health, and~~

12 ~~c. six and fifteen hundredths percent (6.15%) to the~~
13 ~~Oklahoma State Department of Health and earmarked for~~
14 ~~drug and alcohol rehabilitation; and~~

15 ~~2. Any surplus collections shall be apportioned to the General~~
16 ~~Revenue Fund of the State Treasury.~~

17 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.3, as
18 amended by Section 30 of Enrolled Senate Bill No. 1802 of the 2nd
19 Session of the 58th Oklahoma Legislature, is amended to read as
20 follows:

21 Section 427.3. A. There is hereby created the Oklahoma Medical
22 Marijuana Authority within the State Department of Health which
23 shall address issues related to the medical marijuana program in
24 Oklahoma including, but not limited to, the issuance of patient

1 licenses and medical marijuana business licenses, and the
2 dispensing, cultivating, processing, testing, transporting, storage,
3 research, and the use of and sale of medical marijuana pursuant to
4 the Oklahoma Medical Marijuana and Patient Protection Act.

5 B. The Department shall provide support staff to perform
6 designated duties of the Authority. The Department shall also
7 provide office space for meetings of the Authority.

8 C. The Department shall implement the provisions of the
9 Oklahoma Medical Marijuana and Patient Protection Act consistently
10 with the voter-approved State Question No. 788, Initiative Petition
11 No. 412, subject to the provisions of the Oklahoma Medical Marijuana
12 and Patient Protection Act.

13 D. The Department shall exercise its respective powers and
14 perform its respective duties and functions as specified in the
15 Oklahoma Medical Marijuana and Patient Protection Act and this title
16 including, but not limited to, the following:

17 1. Determine steps the state shall take, whether administrative
18 or legislative in nature, to ensure that research on marijuana and
19 marijuana products is being conducted for public purposes, including
20 the advancement of:

- 21 a. public health policy and public safety policy,
- 22 b. agronomic and horticultural best practices, and
- 23 c. medical and pharmacopoeia best practices;

24

1 2. Contract with third-party vendors and other governmental
2 entities in order to carry out the respective duties and functions
3 as specified in the Oklahoma Medical Marijuana and Patient
4 Protection Act;

5 3. Upon complaint or upon its own motion and upon a completed
6 investigation, levy fines as prescribed in applicable laws, rules
7 and regulations and suspend, revoke or not renew licenses pursuant
8 to applicable laws, rules and regulations;

9 4. Issue subpoenas for the appearance or production of persons,
10 records and things in connection with disciplinary or contested
11 cases considered by the Department;

12 5. Apply for injunctive or declaratory relief to enforce the
13 provisions of applicable laws, rules and regulations;

14 6. Inspect and examine all licensed premises of medical
15 marijuana businesses, research facilities, education facilities and
16 waste disposal facilities in which medical marijuana is cultivated,
17 manufactured, sold, stored, transported, tested, distributed or
18 disposed of;

19 7. Upon action by the federal government by which the
20 production, sale and use of marijuana in Oklahoma does not violate
21 federal law, work with the Oklahoma State Banking Department and the
22 State Treasurer to develop good practices and standards for banking
23 and finance for medical marijuana businesses;

24

1 8. Establish internal control procedures for licenses including
2 accounting procedures, reporting procedures and personnel policies;

3 9. Establish a fee schedule and collect fees for performing
4 background checks as the Commissioner deems appropriate. The fees
5 charged pursuant to this paragraph shall not exceed the actual cost
6 incurred for each background check;

7 10. Establish a fee schedule and collect fees for material
8 changes requested by the licensee; and

9 11. Establish regulations, which require a medical marijuana
10 business to submit information to the Oklahoma Medical Marijuana
11 Authority, deemed reasonably necessary to assist the Authority in
12 the prevention of diversion of medical marijuana by a licensed
13 medical marijuana business. Such information required by the
14 Authority may include, but shall not be limited to:

- 15 a. the square footage of the licensed premises,
- 16 b. a diagram of the licensed premises,
- 17 c. the number and type of lights at the licensed medical
18 marijuana commercial grower business,
- 19 d. the number, type and production capacity of equipment
20 located at the medical marijuana processing facility,
- 21 e. the names, addresses and telephone numbers of
22 employees or agents of a medical marijuana business,
- 23 f. employment manuals and standard operating procedures
24 for the medical marijuana business, and

1 g. any other information as the Authority reasonably
2 deems necessary; and

3 12. Establish programs and provide funding, from the revenues
4 apportioned pursuant to paragraph 3 of subsection C of Section 426
5 of this title, to support county sheriffs to enforce the
6 requirements of state law with respect to the commercial growth of
7 medical marijuana or other related business activity for which a
8 license is required pursuant to the provisions of law governing the
9 production, cultivation, transportation, distribution, sale, or
10 other actions related to medical marijuana.

11 E. The Department shall be authorized to enter into and
12 negotiate the terms of a Memorandum of Understanding between the
13 Department and other state agencies concerning the enforcement of
14 laws regulating medical marijuana in this state.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 427.3A of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. There is hereby created in the State Treasury until June 30,
19 2025, a revolving fund for the Oklahoma Medical Marijuana Authority
20 to be designated the "County Sheriff Public Safety Grant Revolving
21 Fund". The fund shall be a continuing fund, not subject to fiscal
22 year limitations, and shall consist of all monies received by the
23 Oklahoma Medical Marijuana Authority from the apportionment of the
24 excise tax on medical marijuana as provided by Section 426 of Title

1 63 of the Oklahoma Statutes and any federal funds, grants, and
2 donations from any public or private source. All monies accruing to
3 the credit of the fund are hereby appropriated and may be budgeted
4 and expended by the Oklahoma Medical Marijuana Authority for the
5 purpose specified by paragraph 12 of subsection D of Section 427.3
6 of Title 63 of the Oklahoma Statutes. Expenditures from the fund
7 shall be made upon warrants issued by the State Treasurer against
8 claims filed as prescribed by law with the Director of the Office of
9 Management and Enterprise Services for approval and payment.

10 B. All unencumbered funds remaining in the County Sheriff
11 Public Safety Grant Revolving Fund upon the expiration of the fund
12 on June 30, 2025, shall be transferred to the State Treasurer for
13 deposit in the Oklahoma Medical Marijuana Authority Revolving Fund
14 created pursuant to Section 427.5 of Title 63 of the Oklahoma
15 Statutes.

16 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3-104, is
17 amended to read as follows:

18 Section 3-104. A. The supervision of the public school system
19 of Oklahoma shall be vested in the State Board of Education and,
20 subject to limitations otherwise provided by law, the State Board of
21 Education shall:

22 1. Adopt policies and make rules for the operation of the
23 public school system of the state;

24

1 2. Appoint, prescribe the duties and fix the compensation of a
2 secretary, an attorney and all other personnel necessary for the
3 proper performance of the functions of the State Board of Education.
4 The secretary shall not be a member of the Board;

5 3. Submit to the Governor a departmental budget based upon
6 major functions of the Department as prepared by the State
7 Superintendent of Public Instruction and supported by detailed data
8 on needs and proposed operations as partially determined by the
9 budgetary needs of local school districts filed with the State Board
10 of Education for the ensuing fiscal year. Appropriations therefor
11 shall be made in lump-sum form for each major item in the budget as
12 follows:

- 13 a. State Aid to schools,
- 14 b. the supervision of all other functions of general and
15 special education including general control, free
16 textbooks, school lunch, Indian education and all
17 other functions of the Board and an amount sufficient
18 to adequately staff and administer these services, and
- 19 c. the Board shall determine the details by which the
20 budget and the appropriations are administered.
21 Annually, the Board shall make preparations to
22 consolidate all of the functions of the Department in
23 such a way that the budget can be based on two items,
24 administration and aid to schools. A maximum amount

1 for administration shall be designated as a part of
2 the total appropriation;

3 4. On the first day of December preceding each regular session
4 of the Legislature, prepare and deliver to the Governor and the
5 Legislature a report for the year ending June 30 immediately
6 preceding the regular session of the Legislature. The report shall
7 contain:

8 a. detailed statistics and other information concerning
9 enrollment, attendance, expenditures including State
10 Aid, and other pertinent data for all public schools
11 in this state,

12 b. reports from each and every division within the State
13 Department of Education as submitted by the State
14 Superintendent of Public Instruction and any other
15 division, department, institution or other agency
16 under the supervision of the Board,

17 c. recommendations for the improvement of the public
18 school system of the state,

19 d. a statement of the receipts and expenditures of the
20 State Board of Education for the past year, and

21 e. a statement of plans and recommendations for the
22 management and improvement of public schools and such
23 other information relating to the educational
24

1 interests of the state as may be deemed necessary and
2 desirable;

3 5. Provide for the formulation and adoption of curricula,
4 courses of study and other instructional aids necessary for the
5 adequate instruction of pupils in the public schools;

6 6. Have authority in matters pertaining to the licensure and
7 certification of persons for instructional, supervisory and
8 administrative positions and services in the public schools of the
9 state subject to the provisions of Section 6-184 of this title, and
10 shall formulate rules governing the issuance and revocation of
11 certificates for superintendents of schools, principals,
12 supervisors, librarians, clerical employees, school nurses, school
13 bus drivers, visiting teachers, classroom teachers and for other
14 personnel performing instructional, administrative and supervisory
15 services, but not including members of boards of education and other
16 employees who do not work directly with pupils, and may charge and
17 collect reasonable fees for the issuance of such certificates:

18 a. the State Department of Education shall not issue a
19 certificate to and shall revoke the certificate of any
20 person who has been convicted, whether upon a verdict
21 or plea of guilty or upon a plea of nolo contendere,
22 or received a suspended sentence or any probationary
23 term for a crime or an attempt to commit a crime
24 provided for in Section 843.5 of Title 21 of the

1 Oklahoma Statutes if the offense involved sexual abuse
2 or sexual exploitation as those terms are defined in
3 Section 1-1-105 of Title 10A of the Oklahoma Statutes,
4 Section 741, 843.1, if the offense included sexual
5 abuse or sexual exploitation, 865 et seq., 885, 888,
6 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,
7 1111.1, 1114 or 1123 of Title 21 of the Oklahoma
8 Statutes or who enters this state and who has been
9 convicted, received a suspended sentence or received a
10 deferred judgment for a crime or attempted crime
11 which, if committed or attempted in this state, would
12 be a crime or an attempt to commit a crime provided
13 for in any of said laws,

14 b. all funds collected by the State Department of
15 Education for the issuance of certificates to
16 instructional, supervisory and administrative
17 personnel in the public schools of the state shall be
18 deposited in the "Teachers' Certificate Fund" in the
19 State Treasury and may be expended by the State Board
20 of Education to finance the activities of the State
21 Department of Education necessary to administer the
22 program, for consultative services, publication costs,
23 actual and necessary travel expenses as provided in
24 the State Travel Reimbursement Act incurred by persons

1 performing research work, and other expenses found
2 necessary by the State Board of Education for the
3 improvement of the preparation and certification of
4 teachers in Oklahoma. Provided, any unobligated
5 balance in the Teachers' Certificate Fund in excess of
6 Ten Thousand Dollars (\$10,000.00) on June 30 of any
7 fiscal year shall be transferred to the General
8 Revenue Fund of the State of Oklahoma. Until July 1,
9 1997, the State Board of Education shall have
10 authority for approval of teacher education programs.
11 The State Board of Education shall also have authority
12 for the administration of teacher residency and
13 professional development, subject to the provisions of
14 the Oklahoma Teacher Preparation Act;

15 7. Promulgate rules governing the classification, inspection,
16 supervision and accrediting of all public nursery, kindergarten,
17 elementary and secondary schools and on-site educational services
18 provided by public school districts or state-accredited private
19 schools in partial hospitalization programs, day treatment programs,
20 and day hospital programs as defined in this act for persons between
21 the ages of three (3) and twenty-one (21) years of age in the state.
22 However, no school shall be denied accreditation solely on the basis
23 of average daily attendance.

1 Any school district which maintains an elementary school and
2 faces the necessity of relocating its school facilities because of
3 construction of a lake, either by state or federal authority, which
4 will inundate the school facilities, shall be entitled to receive
5 probationary accreditation from the State Board of Education for a
6 period of five (5) years after the effective date of this act and
7 any school district, otherwise qualified, shall be entitled to
8 receive probationary accreditation from the State Board of Education
9 for a period of two (2) consecutive years to attain the minimum
10 average daily attendance. The Head Start and public nurseries or
11 kindergartens operated from Community Action Program funds shall not
12 be subjected to the accrediting rules of the State Board of
13 Education. Neither will the State Board of Education make rules
14 affecting the operation of the public nurseries and kindergartens
15 operated from federal funds secured through Community Action
16 Programs even though they may be operating in the public schools of
17 the state. However, any of the Head Start or public nurseries or
18 kindergartens operated under federal regulations may make
19 application for accrediting from the State Board of Education but
20 will be accredited only if application for the approval of the
21 programs is made. The status of no school district shall be changed
22 which will reduce it to a lower classification until due notice has
23 been given to the proper authorities thereof and an opportunity
24

1 given to correct the conditions which otherwise would be the cause
2 of such reduction.

3 Private and parochial schools may be accredited and classified
4 in like manner as public schools or, if an accrediting association
5 is approved by the State Board of Education, by procedures
6 established by the State Board of Education to accept accreditation
7 by such accrediting association, if application is made to the State
8 Board of Education for such accrediting;

9 8. Be the legal agent of the State of Oklahoma to accept, in
10 its discretion, the provisions of any Act of Congress appropriating
11 or apportioning funds which are now, or may hereafter be, provided
12 for use in connection with any phase of the system of public
13 education in Oklahoma. It shall prescribe such rules as it finds
14 necessary to provide for the proper distribution of such funds in
15 accordance with the state and federal laws;

16 9. Be and is specifically hereby designated as the agency of
17 this state to cooperate and deal with any officer, board or
18 authority of the United States Government under any law of the
19 United States which may require or recommend cooperation with any
20 state board having charge of the administration of public schools
21 unless otherwise provided by law;

22 10. Be and is hereby designated as the "State Educational
23 Agency" referred to in Public Law 396 of the 79th Congress of the
24 United States, which law states that said act may be cited as the

1 "National School Lunch Act", and said State Board of Education is
2 hereby authorized and directed to accept the terms and provisions of
3 said act and to enter into such agreements, not in conflict with the
4 Constitution of Oklahoma or the Constitution and Statutes of the
5 United States, as may be necessary or appropriate to secure for the
6 State of Oklahoma the benefits of the school lunch program
7 established and referred to in said act;

8 11. Have authority to secure and administer the benefits of the
9 National School Lunch Act, Public Law 396 of the 79th Congress of
10 the United States, in the State of Oklahoma and is hereby authorized
11 to employ or appoint and fix the compensation of such additional
12 officers or employees and to incur such expenses as may be necessary
13 for the accomplishment of the above purpose, administer the
14 distribution of any state funds appropriated by the Legislature
15 required as federal matching to reimburse on children's meals;

16 12. Accept and provide for the administration of any land,
17 money, buildings, gifts, donation or other things of value which may
18 be offered or bequeathed to the schools under the supervision or
19 control of said Board;

20 13. Have authority to require persons having administrative
21 control of all school districts in Oklahoma to make such regular and
22 special reports regarding the activities of the schools in said
23 districts as the Board may deem needful for the proper exercise of
24 its duties and functions. Such authority shall include the right of

1 the State Board of Education to withhold all state funds under its
2 control, to withhold official recognition, including accrediting,
3 until such required reports have been filed and accepted in the
4 office of said Board and to revoke the certificates of persons
5 failing or refusing to make such reports;

6 14. Have general supervision of the school lunch program. The
7 State Board of Education may sponsor workshops for personnel and
8 participants in the school lunch program and may develop, print and
9 distribute free of charge or sell any materials, books and bulletins
10 to be used in such school lunch programs. There is hereby created
11 in the State Treasury a revolving fund for the Board, to be
12 designated the School Lunch Workshop Revolving Fund. The fund shall
13 consist of all fees derived from or on behalf of any participant in
14 any such workshop sponsored by the State Board of Education, or from
15 the sale of any materials, books and bulletins, and such funds shall
16 be disbursed for expenses of such workshops and for developing,
17 printing and distributing of such materials, books and bulletins
18 relating to the school lunch program. The fund shall be
19 administered in accordance with Section 155 of Title 62 of the
20 Oklahoma Statutes;

21 15. Prescribe all forms for school district and county officers
22 to report to the State Board of Education where required. The State
23 Board of Education shall also prescribe a list of appropriation
24 accounts by which the funds of school districts shall be budgeted,

1 accounted for and expended; and it shall be the duty of the State
2 Auditor and Inspector in prescribing all budgeting, accounting and
3 reporting forms for school funds to conform to such lists;

4 16. Provide for the establishment of a uniform system of pupil
5 and personnel accounting, records and reports;

6 17. Have authority to provide for the health and safety of
7 school children and school personnel while under the jurisdiction of
8 school authorities;

9 18. Provide for the supervision of the transportation of
10 pupils;

11 19. Have authority, upon request of the local school board, to
12 act in behalf of the public schools of the state in the purchase of
13 transportation equipment;

14 20. Have authority and is hereby required to perform all duties
15 necessary to the administration of the public school system in
16 Oklahoma as specified in the Oklahoma School Code; and, in addition
17 thereto, those duties not specifically mentioned herein if not
18 delegated by law to any other agency or official;

19 21. Administer the State Public Common School Building
20 Equalization Fund established by Section 32 of Article X of the
21 Oklahoma Constitution. Any monies as may be appropriated or
22 designated by the Legislature, other than ad valorem taxes, any
23 other funds identified by the State Department of Education, which
24 may include, but not be limited to, grants-in-aid from the federal

1 government for building purposes, the proceeds of all property that
2 shall fall to the state by escheat, penalties for unlawful holding
3 of real estate by corporations, and capital gains on assets of the
4 permanent school funds, shall be deposited in the State Public
5 Common School Building Equalization Fund. The fund shall be used to
6 aid school districts and charter schools in acquiring buildings,
7 subject to the limitations fixed by Section 32 of Article X of the
8 Oklahoma Constitution. It is hereby declared that the term
9 "acquiring buildings" as used in Section 32 of Article X of the
10 Oklahoma Constitution shall mean acquiring or improving school
11 sites, constructing, repairing, remodeling or equipping buildings,
12 or acquiring school furniture, fixtures, or equipment. It is hereby
13 declared that the term "school districts" as used in Section 32 of
14 Article X of the Oklahoma Constitution shall mean school districts
15 and eligible charter schools as defined in subsection B of this
16 section. The State Board of Education shall disburse redbud school
17 grants annually from the State Public Common School Building
18 Equalization Fund to public schools and eligible charter schools
19 pursuant to subsection B of this section. The Board shall
20 promulgate rules for the implementation of disbursing redbud school
21 grants pursuant to this section. The State Board of Education shall
22 prescribe rules for making grants of aid from, and for otherwise
23 administering, the fund pursuant to the provisions of this
24 paragraph, and may employ and fix the duties and compensation of

1 technicians, aides, clerks, stenographers, attorneys and other
2 personnel deemed necessary to carry out the provisions of this
3 paragraph. The cost of administering the fund shall be paid from
4 monies appropriated to the State Board of Education for the
5 operation of the State Department of Education. From monies
6 apportioned to the fund, the State Department of Education may
7 reserve not more than one-half of one percent (1/2 of 1%) for
8 purposes of administering the fund;

9 22. Recognize that the Director of the Oklahoma Department of
10 Corrections shall be the administrative authority for the schools
11 which are maintained in the state reformatories and shall appoint
12 the principals and teachers in such schools. Provided, that rules
13 of the State Board of Education for the classification, inspection
14 and accreditation of public schools shall be applicable to such
15 schools; and such schools shall comply with standards set by the
16 State Board of Education; and

17 23. Have authority to administer a revolving fund which is
18 hereby created in the State Treasury, to be designated the
19 Statistical Services Revolving Fund. The fund shall consist of all
20 monies received from the various school districts of the state, the
21 United States Government, and other sources for the purpose of
22 furnishing or financing statistical services and for any other
23 purpose as designated by the Legislature. The State Board of
24 Education is hereby authorized to enter into agreements with school

1 districts, municipalities, the United States Government, foundations
2 and other agencies or individuals for services, programs or research
3 projects. The Statistical Services Revolving Fund shall be
4 administered in accordance with Section 155 of Title 62 of the
5 Oklahoma Statutes.

6 B. 1. The redbud school grants shall be determined by the
7 State Department of Education as follows:

- 8 a. divide the county four-mill levy revenue by four to
9 determine the nonchargeable county four-mill revenue
10 for each school district,
- 11 b. determine the amount of new revenue generated by the
12 five-mill building fund levy as authorized by Section
13 10 of Article X of the Oklahoma Constitution for each
14 school district as reported in the Oklahoma Cost
15 Accounting System for the preceding fiscal year,
- 16 c. add the amounts calculated in subparagraphs a and b of
17 this paragraph to determine the nonchargeable millage
18 for each school district,
- 19 d. add the nonchargeable millage in each district
20 statewide as calculated in subparagraph c of this
21 paragraph and divide the total by the average daily
22 membership in public schools statewide based on the
23 preceding school year's average daily membership,
24 according to the provisions of Section 18-107 of this

1 title. This amount is the statewide nonchargeable
2 millage per student, known as the baseline local
3 funding per student,

4 e. all eligible charter schools shall be included in
5 these calculations as unique school districts,
6 separate from the school district that may sponsor the
7 eligible charter school, and the total number of
8 districts shall be used to determine the statewide
9 average baseline local funding per student,

10 f. for each school district or eligible charter school
11 which is below the baseline local funding per student,
12 the Department shall subtract the baseline local
13 funding per student from the average nonchargeable
14 millage per student of the school district or eligible
15 charter school to determine the nonchargeable millage
16 per student shortfall for each district, and

17 g. the nonchargeable millage per student shortfall for a
18 school district or eligible charter school shall be
19 multiplied by the average daily membership of the
20 preceding school year of the eligible school district
21 or eligible charter school. This amount shall be the
22 redbud school grant amount for the school district or
23 eligible charter school.

24

1 2. For fiscal year 2022, monies for the redbud school grants
2 shall be expended from the funds apportioned pursuant to Section ~~2~~
3 426 of ~~this act~~ Title 63 of the Oklahoma Statutes. For fiscal year
4 2023 and each subsequent fiscal year, monies for the redbud school
5 grants shall be ~~appropriated~~ apportioned pursuant to Section ~~2~~ 426
6 of ~~this act, not to exceed three-fourths (3/4) of the tax collected~~
7 ~~in the preceding fiscal year pursuant to Section 426 of Title 63 of~~
8 ~~the Oklahoma Statutes as determined by the Oklahoma Tax Commission.~~
9 ~~For fiscal year 2023 and each subsequent fiscal year, if such~~
10 ~~appropriated funds are insufficient to fund the redbud school~~
11 ~~grants, then an additional apportionment of funds shall be made from~~
12 ~~sales tax collections as provided by subsection D of Section 3 of~~
13 ~~this act~~ Title 63 of the Oklahoma Statutes. If ~~both funds are~~ the
14 apportionment is insufficient, the Department shall promulgate rules
15 to permit a decrease to the baseline local funding per student to
16 the highest amount allowed with the funding available.

17 3. As used in this section, "eligible charter school" shall
18 mean a charter school which is sponsored pursuant to the provisions
19 of the Oklahoma Charter School Act. Provided, however, "eligible
20 charter school" shall not include a charter school sponsored by the
21 Statewide Virtual Charter School Board but shall only include those
22 which provide in-person or blended instruction, as provided by
23 Section 1-111 of this title, to not less than two-thirds (2/3) of
24 students as the primary means of instructional service delivery.

1 4. The Department shall develop a program to acknowledge the
2 redbud school grant recipients and shall include elected members of
3 the Oklahoma House of Representatives and Oklahoma State Senate who
4 represent the school districts and eligible charter schools.

5 5. The Department shall create a dedicated page on its website
6 listing annual redbud school grant recipients, amount awarded to
7 each recipient and other pertinent information about the Redbud
8 School Funding Act.

9 6. The Department shall provide the Chair of the House
10 Appropriations and Budget Committee and the Chair of the Senate
11 Appropriations Committee no later than February 1 of each year with
12 an estimate of the upcoming year's redbud school grant allocation as
13 prescribed by this section.

14 SECTION 5. REPEALER Section 1 of Enrolled House Bill No.
15 3530 of the 2nd Session of the 58th Oklahoma Legislature, is hereby
16 repealed.

17 SECTION 6. This act shall become effective July 1, 2022.

18 SECTION 7. It being immediately necessary for the preservation
19 of the public peace, health or safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

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